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C O N F I D E N T I A L SECTION 01 OF 02 ANKARA 002269

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SIPDIS

E.O. 12958: DECL: 04/25/2016 TAGS: <u>PREL EFIN KPAL IS TU</u>

SUBJECT: PALESTINIAN PRESIDENT ABBAS TO TURKEY: ECONOMIC

CRISIS LOOMS, HAMAS WON'T CHANGE

REF: A. ANKARA 2046 <u>¶</u>B. ANKARA 2179

Classified By: DCM Nancy McEldowney for reasons 1.4 (b,d).

Summary

11. (C) A downbeat Palestinian President Abbas told FM Gul that the economic situation in Palestine is dire, especially for Fatah members, and that he sees little chance that Hamas will change, according to MFA Middle East DG Bozkurt Aran. Abbas told Gul he will try to reorganize the Fatah movement over the next three to four months, after which he will make an "historic decision," which Turkish officials interpret as calling new elections. Abbas said he wants the international community to encourage Israel to restart peace talks directly with him, on the basis of the Road Map. He sought no additional financial support from Turkey, which has committed to provide one million dollars in material aid annually to specific projects in Palestine as well as private sector support to the Erez Industrial Zone. End Summary

Downbeat on Hamas

- 12. (U) Palestinian President Mahmoud Abbas made an official visit to Turkey April 23-25, meeting with President Sezer, PM Erdogan, FM Gul, parliament Speaker Arinc, as well as opposition CHP leader Baykal and business leaders. In interviews and press remarks before and during the visit, Abbas lamented the Palestinian Authority's difficult financial situation due to U.S. and EU assistance restrictions. He also highlighted his view of Turkey's vital role in bringing peace and stability to the region.
- 13. (C) MFA DG Aran told us April 25 that Abbas was pessimistic about the situation in Palestine. Despite his efforts to calm the atmosphere after the latest clashes between Fatah and Hamas loyalists, Abbas sees the security situation deteriorating. The Palestinian Authority is unable to pay salaries, which mainly affects Fatah members, and the Palestinian economy is faltering. Abbas reportedly told FM Gul that he has signaled Hamas to be wary of allowing the Palestinians to become the "trump card" of Iran and Syria. He noted Hamas is smuggling weapons in from Syria and Jordan. According to Aran, Abbas told Gul that Hamas officials "privately" condemned the April 17 Tel Aviv suicide bombing, but claim they are unable to do so publicly. Abbas has concluded that Hamas will not change.

Abbas Prepared to Make "Historic Decision"

14. (C) Abbas reportedly told Turkish officials he will seek to reform the Fatah movement organizationally over the next three to four months, after which he is prepared to make a "historic decision." Aran said Abbas did not elaborate on this statement but the Turks interpreted it to mean he will call new elections. Aran stated that FM Gul encouraged Abbas to try to unite groups in Palestine, get them to accept his authority as president, and restart talks with Israel once a new Israeli government is formed.

Abbas Ready to Negotiate

15. (C) Aran said Abbas told FM Gul that, during his current travels to Turkey and northern Europe, he will ask the international community to encourage Israel to restart peace talks directly with him. Abbas told the TuQs he remains concerned that if negotiations do not resume, both sides will resort to unilateral measures that could jeopardize any chance for a settlement.

No New Turkish Financing

16. (C) Aran and MFA Coordinator for Palestinian Assistance Vehbi Dincerler told us that Turkey made no new financial commitments to the Palestinians as a result of this visit. Turkey has pledged one million dollars annually in material support to specific projects and beneficiaries in the Palestinian territories, none of which goes through Hamas or PA ministries, according to Dincerler and other officials (reftels). In addition, Turkey has agreed to support the

ANKARA 00002269 002 OF 002

revitalization of the Erez Industrial Zone using private funding and Abbas met with Turkish business leaders involved in the Erez project.

Positive Press

17. (U) Press reporting of the Abbas visit has been largely positive, with sympathetic coverage of Abbas' statements on the difficult economic and budgetary situation in Palestine, ongoing conflict between Fatah and Hamas loyalists, and Abbas' characterization of Turkey as a key player in bringing peace and stability to the region. According to press reports, Abbas threatened to dissolve the Hamas government if it does not accept the conditions imposed by the international community.

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